

PX 706

Message

From: [REDACTED]@ripple.com]
on behalf of [REDACTED]@ripple.com> [REDACTED]@ripple.com]
Sent: 11/28/2018 9:23:40 AM
To: Brad Garlinghouse [Brad Garlinghouse <[REDACTED]@ripple.com>]
CC: Ron Will [Ron Will <[REDACTED]@ripple.com>]; Chris Larsen [Chris Larsen <[REDACTED]@ripple.com>]; [REDACTED]
[REDACTED]@ripple.com>]
Subject: Re: Follow up on XRP distribution calculation

Thanks for the responses.

Redacted - Privilege

Redacted - Privilege

[REDACTED]
Controller | Ripple
[REDACTED]
[REDACTED]@ripple.com | ripple.com



On Wed, Nov 28, 2018 at 7:53 AM Brad Garlinghouse <[REDACTED]@ripple.com> wrote:
Thanks [REDACTED] for a thoughtful review and outlining some options.

I couple of reactions:

It's my opinion (which obviously lacks certainty) that the high likelihood is that the [REDACTED] option never reaches [REDACTED] given the dollar value cap. (as I think you are alluding in your note in options 2 and 3). I don't know how to handicap what will be distributed - and I agree that we could take the position on the max. (although we might want to run some of this by [REDACTED])

I think showing all of **Coil** commitments makes sense. These are committed and we have contractually agreed on this. **Coil** has ball control on these - not Ripple.

So i think I'm suggesting a modified version of option 1 (although I'm not readily familiar with the [REDACTED] piece).

I think as next steps:

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On Tue, Nov 27, 2018 at 5:12 PM [REDACTED]@ripple.com> wrote:
Hi Brad, Chris and Ron,

I'm following up on the discussion regarding what committed and pending deals we show as distributed when reporting our XRP holdings online.

While I'm giving narrative on the options and status, you may find it easier to review the attached workbook which outlines the moving pieces.

Current status

Currently there are two commitments we show as outstanding:

- [REDACTED] for [REDACTED] XRP option, which amount declines [REDACTED] each month as they exercise.
- [REDACTED] for [REDACTED] donations. We initially said we would contribute [REDACTED] but have no firm commitment to do so. Based on discussions recently, given how well funded [REDACTED] is additional donations should not be necessary.

Showing a substantial decrease in XRP distributed by removing Rippleworks donation is not ideal, but with recent deals we have some good options.

Options to consider

There are a handful of items to consider which are firmly committed, excluding amounts based on USD figures or which are based on milestones that may or may not be hit [REDACTED]. How we proceed I think depends on assessment of how likely it is to be distributed as well as how we want to weigh current increases to distribution number against future increases.

Option 1 - reflecting all commitments - increase distributed by [REDACTED]

[REDACTED]

Option 2 - All commitments other than than Coil projects - increase distributed by [REDACTED]

[REDACTED]

Option 3 - All commitments other than Coil and partial on [REDACTED] - no impact

[REDACTED]

Follow up

Let me know if you prefer any of these to others or if you'd like to discuss further or see additional views. Based on our preference I can draft up a formal policy for how we determine what is vs. what is not distributed.

Thanks,

[REDACTED]

Controller | Ripple

[REDACTED]

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